

SUBCHAPTER 1. GENERAL PROVISIONS

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19:51-1.1 Definitions

(a) The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

"Gaming equipment" means any mechanical, electrical or electronic contrivance or machine used in connection with gaming or any game and includes, without limitation, roulette wheels, big six wheels, slot machines, slot tokens, prize tokens, cards, dice, chips, plaques, match play coupons, card dealing shoes, drop boxes, automated jackpot payout machines, gaming voucher systems, gaming voucher redemption machines and other devices, machines, equipment, items or articles determined by the Commission to be so utilized in gaming as to require licensing of the manufacturers, distributors or servicers, or as to require Commission approval in order to contribute to the integrity of the gaming industry or to facilitate the operation of the Commission or the Division.

"Gaming equipment distributor" means any person who distributes, sells, supplies or markets gaming equipment.

"Gaming equipment industry" means gaming equipment manufacturers, gaming equipment distributors and gaming equipment servicers.

"Gaming equipment manufacturer" means any person who manufactures, produces or assembles gaming equipment.

"Gaming equipment servicer or repairer" means any person who provides maintenance, service or repair of gaming equipment or devices, machines, equipment, items, or articles governed by N.J.A.C. 19:51-1.2(b) in any manner which has the capacity to affect the outcome of the play of an authorized game or simulcast wagering or the calculation, storage, collection, or control of gross revenue.

"Gaming school" means any person, including a governmental agency, that is a "private vocational school" as that term is defined in N.J.A.C. 6:46-1.1

and offers or proposes to offer any course in a specific subject area of gaming or dealing techniques.

"Governmental agency" means any office, department, division, bureau, board, commission, agency, authority, institution, or like governmental entity of the State of New Jersey or a political subdivision thereof or of any other state or political entity of the United States.

"Inside director" means a director of a casino service industry applicant or licensee or holding or intermediary company thereof who is also an officer or employee of the applicant or licensee or the holding or intermediary company of which he or she is director.

"Outside directors" means any director other than an inside director.

"Sales representative" means any person owning an interest in, employed by or representing a casino service industry enterprise licensed in accordance with sections 92a and b of the Act, who solicits the goods and services or business thereof.

"Security business" or "casino security service" means any non-governmental enterprise providing physical security services to a casino, a casino licensee, to an approved hotel or to any premises located within a casino hotel complex.

(b) The following words and terms, when used in this chapter, shall have the meanings set forth in the relevant provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., except that any reference contained therein to an applicant for or holder of a casino license shall instead be read to refer to an applicant for or holder of a casino service industry license:

"Holding company"

"Intermediary company"

As amended, effective: 11/16/81

As amended, effective: 10/19/92

Recodified, effective: 12/21/92

As amended, effective: 01/18/94

As amended, effective: 03/21/94

As amended, effective: 10/03/94
As amended, effective: 07/03/95
As amended, effective: 01/06/97
As amended, effective: 09/21/98
As amended, effective: 04/16/07

19:51-1.2 Gaming-related casino service industry license requirements

(a) No enterprise shall provide goods or services directly related to casino, simulcast wagering or gaming activity to, or otherwise transact business directly related to casino, simulcast wagering or gaming activity with, a casino applicant or licensee, its employees or agents unless licensed in accordance with subsections 92a and b of the Act.

(b) In determining whether an enterprise shall be licensed pursuant to this section, the Commission shall consider, without limitation, whether the enterprise satisfies one or more of the following criteria:

1. Whether the enterprise manufactures, supplies or distributes devices, machines, equipment, items or articles which:
 - i. Are specifically designed for use in the operation of a casino or casino simulcasting facility;
 - ii. Are needed to conduct an authorized game or simulcast wagering;
 - iii. Have the capacity to affect the outcome of the play of an authorized game or simulcast wagering; or
 - iv. Have the capacity to affect the calculation, storage, collection, or control of gross revenue;
2. Whether the enterprise is a gaming equipment servicer or repairer;
3. Whether the enterprise provides services directly related to the operation, regulation or management of a casino or casino simulcasting facility; or

4. Whether the enterprise provides such other goods or services determined by the Commission to be so utilized in or incident to gaming, casino or simulcast wagering activity as to require licensing in order to contribute to the public confidence and trust in the credibility and integrity of the gaming industry in New Jersey.

(c) Enterprises required to be licensed in accordance with subsections 92a and b of the Act and (a) above shall include, without limitation, the following:

1. Manufacturers, suppliers, distributors, servicers and repairers of roulette wheels, big six wheels, slot machines, cards, dice, gaming chips, gaming plaques, slot tokens, prize tokens, dealing shoes, drop boxes, computerized gaming monitoring systems, automated jackpot payout machines, gaming voucher systems, gaming voucher redemption machines, totalisators, pari-mutuel machines, self-service pari-mutuel machines and credit voucher machines;
2. Schools teaching gaming and dealing techniques; and
3. Casino credit reporting services, casino simulcasting hub facilities and suppliers of casino security services.

As amended, effective: 06/05/89

As amended, effective: 06/17/91

As amended, effective: 10/19/92

Recodified, effective: 12/21/92

As amended, effective: 01/19/93

As amended, effective: 10/04/93

As amended, effective: 01/18/94; Operative: 02/22/94

As amended, effective: 05/02/94

As amended, effective: 10/03/94

As amended, effective: 07/03/95

As amended, effective: 04/16/07

**19:51-1.2A Nongaming-related casino service industry and junket
enterprise license requirements**

(a) Unless otherwise licensed in accordance with subsections 92a and b of the Act and N.J.A.C. 19:51-1.2, no enterprise shall, on a regular or continuing basis, provide goods or services regarding the realty, construction, maintenance or business of a proposed or existing casino hotel or related facility to a casino licensee or applicant, its employees or agents unless such enterprise is licensed or exempted in accordance with subsections 92c and d of the Act. The Commission may, however, permit the enterprise to continue to provide such goods and services or conduct such business if the application is prepared and filed within a reasonable time.

(b) In determining whether an enterprise is subject to the requirements of this subsection, it shall not matter whether the casino licensee or applicant is a party to any agreement pursuant to which said goods or services are being provided. Enterprises required to be licensed in accordance with subsections 92c and d of the Act and (a) above shall include, without limitation, the following:

1. Suppliers of alcoholic beverages, food and nonalcoholic beverages, gaming table layouts and non-value gaming chip sorters;
2. In-State and out-of-State sending tracks;
3. Licensors of authorized games to casino licensees and applicants;
4. Garbage handlers, vending machine providers, linen suppliers and maintenance companies;
5. Shopkeepers located within the approved hotel;
6. Limousine services and construction companies contracting with casino licensees or applicants or their employees or agents; and
7. Electronic funds transfer companies or debit card verification agencies engaging in transactions governed by N.J.A.C. 19:45-1.18A or 19:45-1.25(i).

(c) No enterprise shall, on a regular or continuing basis, conduct business as a junket enterprise with a casino licensee or applicant, its employees or agents unless such enterprise is licensed in accordance with subsections 92c and d and section 102 of the Act. The Commission, however, may permit the enterprise to continue to conduct such business if the application is prepared and filed within a reasonable time.

(d) In determining if a person or enterprise does or will, on a regular or continuing basis, conduct business as a junket enterprise or provide goods or services regarding the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility to casino licensees or applicants, their employees or agents, the following factors, without limitation, shall be considered:

1. Number of transactions;
 2. Frequency of transactions;
 3. Dollar amounts of transactions;
 4. Nature of goods or services provided or business transacted;
 5. Maximum potential period of time necessary to fully provide the goods, perform the services or complete the business which is the subject of the transaction;
 6. The recommendation of the Division of Gaming Enforcement;
- and
7. The public interest and the policies established by the Act.

(e) Notwithstanding the provisions of (d) above, persons and enterprises which conduct business as a junket enterprise or provide, or imminently will provide, goods or services regarding the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility to casino licensees or applicants, their employees or agents shall, unless otherwise determined by the Commission, be deemed to be transacting such business on a regular or continuing basis if:

1. The total dollar amount of such transactions with a single

casino licensee or applicant, its employees or agents, is or will be equal to or greater than \$150,000 within any 12month period; or

2. The total dollar amount of such transactions with all casino licensees or applicants, their employees or agents, is or will be equal to or greater than \$500,000 within any 12month period.

(f) Based upon an analysis of the factors contained in (d) above, the Commission may, in its discretion, require an enterprise which is otherwise governed by the provisions of N.J.S.A. 5:12-92c and (a) above to be licensed as a subsection 92c casino service industry enterprise prior to conducting any business whatsoever with a casino licensee or applicant if the Commission determines that such action is necessary in order to contribute to the public confidence and trust in the credibility and integrity of the gaming industry in New Jersey. Enterprises subject to this requirement shall include manufacturers, suppliers and distributors of non-value chip sorters, licensors of authorized games to casino licensees and applicants, and electronic funds transfer companies or debit card verification agencies engaging in transactions governed by N.J.A.C. 19:45-1.18A or 19:45-1.25(i).

(g) In determining whether a person or enterprise has exceeded or will exceed the dollar thresholds established in (e) above, all types of business, including junket business, transacted by that person or enterprise with casino licensees or applicants, their employees or agents shall be accumulated.

(h) The Commission may expressly prohibit any unlicensed enterprise from providing goods or services to or conducting business with a casino licensee or applicant, its employees or agents on the basis that, after having been directed to file a casino service industry or junket enterprise license application, such enterprise failed to properly file such application within a reasonable time. Any unlicensed enterprise prohibited from providing goods or services or conducting business on the basis of its failure to properly file an application may resume providing goods or services or conducting business:

1. Thirty days following the proper filing of its casino service

industry or junket enterprise license application and after the payment of an additional late filing license fee of \$250.00; or

2. Immediately following a determination that the enterprise is not required to be licensed as a casino service industry or junket enterprise.

(i) No waiver of all or any portion of the 30-day period mandated by (h)1 above shall be granted by the Commission on the ground of economic hardship or loss to the unlicensed casino service industry or junket enterprise in question.

As amended, effective: 06/05/89

As amended, effective: 06/17/91

As amended, effective: 10/19/92

Recodified, effective: 12/21/92

As amended, effective: 01/19/93

As amended, effective: 10/04/93

As amended, effective: 01/18/94; Operative: 02/22/94

As amended and recodified, effective: 05/02/94

As amended, effective: 07/03/95

As amended, effective: 09/16/96

As amended, effective: 01/16/01

As amended, effective: 11/21/05

19:51-1.2B Permission to conduct business prior to licensure

(a) Notwithstanding N.J.A.C. 19:51-1.2(a), N.J.A.C. 19:51-1.2A(f) or N.J.A.C. 19:51-2.1:

1. The Commission may, upon the petition of a casino licensee or applicant for each business transaction, permit an applicant for a casino service industry license to conduct a business transaction with the casino licensee or applicant prior to the licensure of the casino service industry license applicant if:

i. A completed application for the appropriate casino service industry license has been filed by the applicant in accordance with N.J.A.C. 19:51-1.3A;

ii. At least 30 days has elapsed since the filing of such

completed application, unless the Division reports on a petition for permission to conduct business prior thereto;

iii. The Division does not object to the granting of the petition;

iv. The petitioner shows good cause for granting the petition; and

v. The applicant for a casino service industry license, if seeking licensure to operate a gaming school, has obtained all approvals from the New Jersey Department of Education necessary to conduct business as a gaming school in this State;

2. The Commission may, upon the petition of an applicant for a casino service industry license that intends to operate a gaming school or to engage in the manufacture, sale, distribution, testing or repair of slot machines, permit such applicant to conduct a business transaction with persons other than a casino licensee or applicant, provided that the requirements of (a)1i through iv and, if applicable, (a)1v above are satisfied.

i. Permission to conduct business pursuant to (a)2 above shall be limited to a period of six months, except that the Commission may extend such relief for additional six-month periods upon a showing of good cause by the applicant.

As adopted, effective: 05/02/94

As amended, effective: 01/06/97

19:51-1.3 Standards for qualifications

(a) The standards for qualification for a casino service industry or junket enterprise license are set forth below and in N.J.A.C. 19:51-1.5.

(b) Each applicant required to be licensed as a casino service industry in accordance with subsections 92a and b of the Act, except as otherwise required for gaming schools (see N.J.A.C. 19:44, shall, prior to the issuance of any

casino service industry license, produce such information, documentation and assurances to establish by clear and convincing evidence:

1. The financial stability, integrity and responsibility of the applicant;
2. The applicant's good character, honesty, and integrity;
3. That all owners, management and supervisory personnel, principal employees and sales representatives qualify under the standards except residency, established for qualification of a casino key employee under section 89 of the Act;
4. The integrity of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed, which bears any relationship to the enterprise; and
5. The integrity of all officers, directors, and trustees of the applicant.

(c) Each applicant required to be licensed as a casino service industry in accordance with subsections 92c and d of the Act or as a junket enterprise in accordance with section 102 of the Act shall, prior to the issuance of any casino service industry or junket enterprise license, produce such information, documentation, including, without limitation as to the generality of the foregoing, its financial books and records, and assurances to establish by clear and convincing evidence its good character, honesty and integrity.

1. Each applicant for a casino service industry license issued pursuant to subsections 92c and d of the Act shall also be required to establish the good character, honesty and integrity of each of the persons required to be qualified pursuant to the provisions of N.J.A.C. 19:51-1.14.

2. Each applicant for a junket enterprise license shall also be required to establish that such of its owners, management and supervisory personnel, junket representatives and other principal employees as the Commission may consider appropriate for qualification pursuant to N.J.A.C.

19:51-1.14 shall qualify under the standards, except for residency, established for the qualification of a casino key employee under N.J.S.A. 5:12-89.

(d) Any enterprise directed to file an application for a casino service industry license pursuant to subsections 92c and d of the Act, other than a junket enterprise, may request permission from the Commission to submit a modified form of such application. The Commission, in its discretion, may permit such modification if the enterprise can demonstrate to the Commission's satisfaction that securities issued by it are listed, or are approved for listing upon notice of issuance, on the New York Stock Exchange, the American Stock Exchange, or the National Association of Securities Dealers' Automated Quotation System (NASDAQ) National Market System.

(e) Any modifications of a casino service industry license application permitted pursuant to this section may be in any form deemed appropriate by the Commission except that every such application shall include the following:

1. The appropriate Personal History Disclosure Forms or Qualifier Disclosure Forms for all those individuals required to so file by the Commission pursuant to N.J.A.C. 19:51-1.14(a)2; and

2. Copies of all filings required by the Securities and Exchange Commission including all 10K's, 10Q's, 8K's, proxy statements and quarterly reports issued by the applicant during the two immediately preceding fiscal years; and

3. Properly executed Consents to Inspections, Searches and Seizures; Waivers of Liability for Disclosures of Information and Consents to Examination of Accounts and Records in forms as prescribed by the Commission; and

4. Payment of the appropriate casino service industry license fee; and

5. Any other information or documentation required at any time by the Commission or the Division of Gaming Enforcement.

Effective Date: 10/04/82

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As amended, effective: 06/15/92
As amended, effective: 10/19/92
Recodified, effective: 12/21/92
As amended, effective: 07/05/94
As amended, effective: 06/19/95
As amended, effective: 01/06/97

19:51-1.3A Application for initial casino service industry license

(a) An application for an initial casino service industry license pursuant to N.J.S.A. 5:12-92a and b shall consist of the fee specified in N.J.A.C. 19:41-9.8 and a completed original and one copy of the following:

1. A Business Entity Disclosure Form - Gaming (BED-Gaming) for the applicant and for each holding company of the applicant as set forth in N.J.A.C. 19:41-5.15;

2. A completed application in accordance with N.J.A.C. 19:41-7.1A, including a Multi-Jurisdictional Personal History Disclosure Form and a Gaming Enterprise New Jersey Supplemental Form as set forth in N.J.A.C. 19:41-5.2 and 5.2A, respectively, for each person required to be qualified pursuant to N.J.S.A. 5:12-92a and b and N.J.A.C. 19:51-1.14(a)1, except that an outside director of a holding or intermediary company shall be permitted to file a Personal History Disclosure Form-2A (PHD-2A) as set forth in N.J.A.C. 19:41-5.4; and

3. The following, in a format prescribed by the Commission:

i. A notarized acknowledgement of the equal employment and business opportunity obligations imposed by N.J.A.C. 19:53-3 which shall be signed and dated by the president, chief executive officer, partner or sole proprietor, as applicable; and

ii. For each casino service industry enterprise that employs 50 or more employees in the State of New Jersey, a statistical report of the composition of the applicant's work force.

(b) An application for an initial casino service industry license pursuant to N.J.S.A. 5:12-92c shall consist of the fee specified in N.J.A.C. 19:41-9.9 and a completed original and one copy of the following:

1. A Business Entity Disclosure Form-3 (BED-3) as set forth in N.J.A.C. 19:41-5.7 for the applicant;
2. A BED-Holding Company (BED-HC) as set forth in N.J.A.C. 19:41-5.8 for each holding company of the applicant;
3. A completed application in accordance with N.J.A.C. 19:41-7.1A, including a Qualifier Disclosure Form (QDF) as set forth in N.J.A.C. 19:41-5.9, for each person required to be qualified pursuant to N.J.S.A. 5:12-92c and N.J.A.C. 19:51-14(a)2;
4. If the applicant is required pursuant to N.J.A.C. 19:51-1.2A(f) to obtain a license prior to conducting business with a casino licensee or applicant, two copies of the following documents:
 - i. The applicant's federal tax returns and related documents for the three years and State tax returns and related documents for the one year preceding application; and
 - ii. The federal tax returns and related documents for the one year preceding application for each person required to be qualified pursuant to N.J.A.C. 19:51-1.14(a)2;
5. The following in a format prescribed by the Commission:
 - i. A notarized acknowledgement of the equal employment and business opportunity obligations imposed by N.J.S.A. 5:12-134 and 135 and N.J.A.C. 19:53 which shall be signed and dated by the president, chief executive officer, partner or sole proprietor, as applicable; and
 - ii. For each casino service industry enterprise that employs 50 or more employees in the State of New Jersey, a statistical report of the composition of the applicant's work force.

As adopted, effective: 10/03/94

As amended, effective: 07/17/95

As amended, effective: 03/02/98

As amended, effective: 09/21/98

As amended, effective: 12/15/03

19:51-1.3B Application for renewal of casino service industry license

(a) An application for renewal of a casino service industry license pursuant to N.J.S.A. 5:12-92a and b shall consist of the fee specified in N.J.A.C. 19:41-9.8 and a completed original and one copy of the following:

1. A Business Entity Disclosure Form-Gaming (BED-Gaming) for the applicant and for each holding company of the applicant as set forth in N.J.A.C. 19:41-5.15;

2. A completed application, including a Multi-Jurisdictional Personal History Disclosure Form and a Gaming Enterprise New Jersey Supplemental Form as set forth in N.J.A.C. 19:41-5.2 and 5.2A, respectively, for each person required to be qualified pursuant to N.J.S.A. 5:12-92a and b and N.J.A.C. 19:51-1.14(a)1 who has not previously been found qualified;

3. A Key Standard Qualifier Renewal Form as set forth in N.J.A.C. 19:41-5.5A, for each person required to be qualified pursuant to N.J.S.A. 5:12-92a and b and N.J.A.C. 19:51-1.14(a)1 who has previously been found qualified;

4. The following, in a format prescribed by the Commission:

i. A notarized affidavit of compliance with the equal employment and business opportunity requirements of N.J.S.A. 5:12-134 and 135 and N.J.A.C. 19:53 which shall be signed and dated by the president, chief executive officer, partner or sole proprietor of the applicant, as applicable; and

ii. For each casino service industry enterprise that employs 50 or more employees in the State of New Jersey, a statistical report of the composition of the applicant's work force.

(b) An application for renewal of a casino service industry license pursuant to N.J.S.A. 5:12-92c shall consist of the fee specified in N.J.A.C.

19:41-9.9 and an original and one copy of the following:

1. A BED-3 as set forth in N.J.A.C. 19:41-5.7(a) for the applicant except that documents in N.J.A.C. 19:41-5.7(a)5 which were included in a prior application may be incorporated by reference if there is no change in the information contained therein;

2. A BED-Holding Company (BED-HC) as set forth in N.J.A.C. 19:41-5.8 for each holding company of the applicant except that documents in N.J.A.C. 19:41-5.8(a)5 which were included in a prior application may be incorporated by reference if there is no change in the information contained therein;

3. A completed Qualifier Disclosure Form (QDF) as set forth in N.J.A.C. 19:41-5.9, for each person required to be qualified pursuant to N.J.S.A. 5:12-92c and N.J.A.C. 19:51-1.14(a)2 who has not previously been found qualified;

4. A Qualifier Renewal Disclosure Form (QRDF) as set forth in N.J.A.C. 19:41-5.10 for each person required to be qualified pursuant to N.J.S.A. 5:12-92c and N.J.A.C. 19:51-1.14(a)2 who has previously been found qualified;

5. The following, in a format prescribed by the Commission:

i. A notarized affidavit of compliance with the equal employment and business opportunity requirements of N.J.S.A. 5:12-134 and 135 and N.J.A.C. 19:53 which shall be signed and dated by the president, chief executive officer, partner or sole proprietor of the applicant, as applicable; and

ii. For each casino service industry enterprise that employs 50 or more employees in the State of New Jersey, a statistical report of the composition of the applicant's work force.

As adopted, effective: 10/03/94

As amended, effective: 07/17/95

As amended, effective: 01/06/97

As amended, effective: 03/02/98

As amended, effective: 12/15/03

19:51-1.4 (Reserved)

As amended, effective: 10/19/92

Recodified, effective: 12/21/92

Repealed, effective: 01/06/97

19:51-1.5 Disqualification criteria

A casino service industry or junket enterprise license may be denied to any applicant who has failed to prove by clear and convincing evidence that the applicant or any of the persons required to be qualified, are in fact qualified in accordance with the Act and with the provisions of these rules and regulations, or who has violated any of the provisions of the Act or these rules and regulations or who is disqualified under any of the criteria set forth in section 86 of the Act.

As amended, effective: 10/19/92

Recodified, effective: 12/21/92

19:51-1.6 Competition

The Commission and the Division shall have the power and the duty to regulate, control and prevent economic concentration in casino operations and in casino service industries so as to encourage and preserve competition.

Recodified, effective: 12/21/92

19:51-1.7 Investigations; supplementary information

The Commission or the Division may, within its discretion, make such inquiry or investigation concerning an applicant, licensee or any person involved with an applicant or licensee as it may deem appropriate either at the

time of the initial application and licensure or at any time thereafter. It shall be the continuing duty of all applicants and licensees to provide full cooperation to the Commission and the Division in the conduct of such inquiry or investigation and to provide any supplementary information requested by the Commission or the Division.

Recodified, effective: 12/21/92

19:51-1.8 Duration of licenses; renewal

(a) Licensure pursuant to N.J.S.A. 5:12-92a is granted for an initial term of two years and for a term of four years for all subsequent renewals; provided, however, that the Commission shall reconsider the granting of such a license at any time at the request of the Division. Licensure pursuant to N.J.S.A. 5:12-92c and 5:12-102 is granted for an initial term of three years and for a term of four years for all subsequent renewals. An application for renewal of a license shall be filed no later than 120 days prior to the expiration of that license.

(b) A change in any item that was a condition of the original license or of a license renewal must be approved by the Commission. A change in ownership shall invalidate any approval previously given by the Commission. The proposed new owner shall be required to submit an application for licensure and evidence that he is qualified for licensure.

(c) The Commission shall notify each casino service industry enterprise licensed pursuant to the provisions of N.J.S.A. 5:12-92c, at least 120 days prior to the expiration of the current license term, whether that enterprise licensee is conducting business on a regular or continuing basis in accordance with the criteria set forth in N.J.A.C. 19:51-1.2A(d) and (e).

1. If the Commission determines that an enterprise licensee is conducting business on a regular or continuing basis, the enterprise shall be required to file an application for the renewal of its license in accordance with the provisions of (a) above.

2. If the Commission determines that an enterprise licensee is not conducting business on a regular or continuing basis, the enterprise shall not be required to renew its casino service industry enterprise license. Any enterprise licensee notified that it is not required to renew its license shall:

i. Have the option to renew its enterprise license voluntarily by complying with the requirements of (a) above; and

ii. Be required, until the expiration of its current license, to notify the Commission immediately of any agreements, whether contemplated or in effect, which would result in cumulative transactions which would meet the regular or continuing business criteria set forth in N.J.A.C. 19:51-1.2A(e).

(d) Upon receipt of a notice required to be filed by an enterprise licensee pursuant to the provisions of (c)2ii above, the Commission shall redetermine whether the enterprise licensee shall be required to renew its casino service industry license. The Commission shall notify the enterprise licensee of its determination as soon as is practicable and, if renewal is required, direct that an application for renewal be filed within 30 days; provided, however, that the Commission may, upon written request by the enterprise licensee and for good cause shown, grant the enterprise licensee an additional 30 days within which to file its renewal application.

(e) Any enterprise which is not required to, and chooses not to, renew its casino service industry enterprise license pursuant to (c) above shall not transact business with any casino licensee or applicant or any employee or agent thereof upon the expiration of such license unless a completed vendor registration form is filed on its behalf by a casino licensee or applicant in accordance with N.J.A.C. 19:43-10.4.

(f) Notwithstanding (c) above, any shopkeeper or lessee of space on the premises of an approved casino hotel which is licensed as a casino service industry pursuant to N.J.S.A. 5:12-92c shall be required to file an application for renewal of such license in accordance with (a) above.

As amended, effective: 06/05/89

As amended, effective: 10/19/92
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As amended, effective: 10/04/93
As amended, effective: 05/02/94
As amended, effective: 07/05/94
As amended, effective: 06/05/95

19:51-1.9 Record keeping

(a) All casino service industry licensees shall maintain in a place secure from theft, loss or destruction, adequate records of business operations which shall be made available to the Commission or Division upon request. The records shall include:

1. All correspondence with the Commission, Division and other governmental agencies on the local, state and federal level;
2. All correspondence concerning the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility.
3. Copies of all promotional material and advertising;
4. A personnel file on each employee of the licensee, including sales representatives;
5. Financial records of all transactions concerning the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility.

(b) The records listed in (a) above shall be held for at least five years. Notwithstanding the foregoing, to the extent there is a conflict between the provisions of this section and N.J.A.C. 19:45-1.8 with regard to the records of a gaming related casino service industry enterprise which is functioning as a slot system operator pursuant to the provisions of N.J.S.A. 5:12-82c(7) and N.J.A.C. 19:45-1.39A, the record retention requirements and procedures set forth at N.J.A.C. 19:45-1.8 shall control.

As amended, effective: 06/05/89

Recodified, effective: 12/21/92
As amended, effective: 10/17/05

19:51-1.10 Causes for suspension, failure to renew or revocation of a license

(a) Any of the following shall be cause for suspension, refusal to renew or revocation of a casino service industry license, although suspension, refusal to renew or revocation may be made for sufficient cause other than those listed:

1. Violation of any provision of the Casino Control Act or these rules and regulations;
2. Conduct which would disqualify the applicant, or any other person required to be qualified, if such person were applying for original licensure.
3. Failure to comply with all applicable Federal, State and local statutes, ordinances and regulations;
4. A material departure from any representation made in the application for licensure.

Recodified, effective: 12/21/92

19:51-1.11 Equal employment opportunity

The rules relating to equal employment opportunity and affirmative action program requirements for casino service industry enterprises are set forth in N.J.A.C. 19:53-1.3, 1.5, 1.6 and 1.7.

Recodified, effective: 12/21/92

19:51-1.12 Fees

The general rules relating to the fees for the issuance and renewal of casino service industry and junket enterprise licenses are set forth in N.J.A.C. 19:41-9.8.

As amended, effective: 10/19/92

Recodified, effective: 12/21/92

As amended, effective: 01/06/97

19:51-1.13 Exemption

(a) The general rules relating to exemption of persons or fields of commerce from licensure as casino service industries are set forth in N.J.S.A. 5:12-92(c).

(b) The Commission may, upon the written request of any person, or upon its own initiative, exempt any person or field of commerce, other than a junket enterprise, from the casino service industry licensure requirements of sections 92c and d of the Act, pursuant to the standards contained in N.J.S.A. 5:12-92(c).

As amended, effective: 10/19/92

Recodified, effective: 12/21/92

19:51-1.14 Persons required to be qualified

(a) Except as otherwise provided in (b) below and N.J.A.C. 19:51-1.14B, no casino service industry license shall be issued or renewed unless the individual qualifications of each of the following persons shall have first been established in accordance with all provisions, including those cited, of the Act and the rules of the Commission. The Commission shall apply the following provisions to both corporate and non-corporate applicants or licensees or, if that is not possible, the Commission will in its discretion apply comparable standards to non-corporate applicants and licensees.

1. In the case of casino service industry licenses issued in accordance with subsections 92a and b of the Act:

- i. The applicant or licensee;
- ii. If the applicant or licensee is, or if it is to become a subsidiary, each holding company and each intermediary company;
- iii. Each natural person who directly or indirectly holds any beneficial or ownership interest of five percent or more of the applicant or licensee;
- iv. Each person who directly or indirectly holds any beneficial or ownership interest of five percent or more of a holding company or intermediary company of the applicant or licensee;
- v. Each director of the applicant or licensee or of a holding or intermediary company thereof;
- vi. Each officer of the applicant or licensee or of a holding or intermediary company thereof;
- vii. The management employee supervising the regional or local office which employs the sales representative who will solicit business or deal directly with a casino licensee; and
- viii. Each employee who will act as a sales representative or otherwise regularly engage in the solicitation of business from casino licensees.

2. In the case of casino service industry or junket enterprise licenses issued in accordance with subsections 92c and d or section 102 of the Act:

- i. The applicant or licensee;
- ii. Each natural person who directly holds any beneficial or ownership interest of five percent or more or who indirectly holds any beneficial or ownership interest of ten percent or more of the applicant or licensee;
- iii. Each holding company that directly holds any beneficial or ownership interest of five percent or more of the applicant or licensee;
- iv. Each inside director of the applicant or licensee;

- v. Each officer of the applicant or licensee;
- vi. The management employee supervising the regional or local office which employs the sales representative or junket representative soliciting business or dealing directly with a casino licensee; and
- vii. Each employee who will act as a sales representative or otherwise regularly engage in the solicitation of business from casino licensees and each junket representative who will deal directly with casino licensees or their employees.

(b) Notwithstanding (a) above, any of the following persons may request in writing that the Commission waive their obligation to qualify as part of a casino service industry license issuance or renewal by making the appropriate showing required in (b)1 through 4 below.

1. If the person is required to qualify as an officer, the person shall be required to demonstrate that he or she is not significantly involved in and has no authority over the conduct of business with a casino licensee. Such request shall include, at a minimum, the following:

- i. A description of his or her title, duties and responsibilities with the applicant, licensee or with any affiliate thereof;
- ii. The terms of his or her compensation; and
- iii. A certification by the officer or, if the applicant or licensee is governed by N.J.S.A. 5:12-92c and d, by counsel for the applicant or licensee, stating that the officer is not significantly involved in and has no authority over the conduct of business with any casino licensee or applicant;

2. If the person is required to qualify as an outside director of a holding company of an applicant or licensee governed by N.J.S.A. 5:12-92a, the person shall be required to demonstrate that he or she is not significantly involved in the management or ownership of the applicant or licensee. Such request shall include, at a minimum, the following:

- i. A description of his or her title, duties and responsibilities with the applicant, licensee or with any affiliate thereof;

- ii. The terms of his or her compensation;
- iii. Any board committee memberships, including a description of the functions and responsibilities of any such committee;
- iv. His or her ownership interest; and
- v. A certification by the director stating that the director is not significantly involved in the management or ownership of the applicant or licensee.

3. If the person is required to qualify as an owner of the applicant or licensee or a holding or intermediary company thereof and requests a waiver as an institutional investor, the person shall be required to demonstrate compliance with the standards for institutional investor status set forth in N.J.S.A 5:12-27.1 as well as the standards for waiver set forth in N.J.S.A 5:12-85f, as applied to the casino service industry applicant or licensee, regardless of whether such applicant or licensee is publicly traded or privately held. Such request shall include, at a minimum, the following:

- i. The number of shares held and percent of ownership;
- ii. A copy of the most recent notice filed with the Securities and Exchange Commission;
- iii. A list of any direct or indirect owners;
- iv. An explanation as to why such investor should be considered an institutional investor pursuant to N.J.S.A. 5:12-27.1; and
- v. A certification by the investor stating that the investor has no present involvement in, and no intention of influencing the business activities of, the applicant or licensee or any holding or intermediary company thereof and will give the Commission 30 days notice if the investor determines to become involved in or influence such activities in the future.

4. If the person is required to qualify as an owner of the applicant or licensee or of a holding or intermediary company of the applicant or licensee, the person shall be required to demonstrate their inability to control such applicant, licensee or holding or intermediary company. For a publicly traded

corporation, any person who owns or beneficially holds five percent or more of the equity securities of such corporation shall be presumed to have the ability to control such corporation, unless such presumption is rebutted by clear and convincing evidence.

(c) Notwithstanding (a) and (b) above, the Commission may require a casino service industry applicant or licensee to establish the qualifications of any person if the Commission determines that the qualification of such person would further the policies of the Act. In making such determination, the Commission shall consider, without limitation, the following:

1. Title, duties and responsibilities;
2. Terms of compensation;
3. Ownership interest;
4. Prior status as a qualifier;
5. Ability to appoint a member of the board of directors;
6. Commonality of interest with other owners of the applicant or licensee, or holding or intermediary company thereof;
7. Business relationship with the applicant or licensee;
8. Criminal conduct or associations; and
9. The recommendations of the Division.

(d) In addition to the persons required to qualify pursuant to (a) above, each applicant for a junket enterprise license may be required, upon directive from the Commission, to establish the qualifications of any junket representative employed by that junket enterprise, regardless of whether such junket representative deals directly with a casino licensee.

1. The Division may request the Commission to require a junket representative employed by a junket enterprise licensee or applicant to establish his or her qualifications at any time.

2. Any junket enterprise required to establish the qualifications of a junket representative pursuant to this subsection may be required, subject to the provisions of N.J.A.C. 19:41-8.6, to pursue a determination as to the

qualifications of the junket representative regardless of whether the employment relationship with the junket representative has been terminated.

3. Any person required to establish his or her qualifications as a junket representative pursuant to this subsection may be required to pursue a determination as to his or her qualifications as a junket representative regardless of whether the employment relationship with the junket enterprise has been terminated.

As amended, effective: 06/05/89

As amended, effective: 10/19/92

Recodified, effective: 12/21/92

As amended, effective: 01/19/93

As amended, effective: 01/06/97

As amended, effective: 09/21/98

As amended, effective: 03/19/01

As amended, effective: 10/01/01

As amended, effective: 03/18/02

19:51-1.14A Notification of changes in qualifiers of gaming-related casino service industry licensees or applicants and holding companies

(a) Each casino service industry licensee or applicant required to be licensed in accordance with N.J.S.A. 5:12-92a and N.J.A.C. 19:51-1.2 shall notify the Commission and the Division, in writing, within five business days, of the following:

1. The appointment, nomination, election, resignation, termination, incapacitation or death of any natural person required to qualify pursuant to N.J.A.C. 19:51-1.14(a) or (c);

2. The identity of any person required to be qualified pursuant to N.J.A.C. 19:51-1.14(a)1iii or iv on the basis of a newly acquired ownership interest; or

3. The identity of any person whose obligation to qualify was waived pursuant to N.J.A.C. 19:51-1.14(b) 3 or 4 if that person subsequently

attains an ownership interest that is:

i. At least five percent greater than the interest held at the time the most recent waiver was granted; and

ii. At least ten percent or more of the applicant, licensee or holding or intermediary company thereof.

(b) For each new qualifier identified pursuant to (a)1 or 2 above, the following forms, as applicable, shall be filed with the Commission within 30 days of the mailing of the required notice; provided, however, that the Commission may, upon written request from the licensee or applicant and for good cause shown, grant an additional 30 days within which to file the required forms:

1. A complete application for qualification as set forth in N.J.A.C. 19:41-7.1A for each new natural person qualifier, except that an outside director of a holding or intermediary company shall be permitted to file a Personal History Disclosure Form – 2A (PHD-2A) as set forth in N.J.A.C. 19:41-5.4; or

2. A complete Business Entity Disclosure Form—Gaming (BED-Gaming) as set forth in N.J.A.C. 19:41-5.15 for each new entity qualifier.

(c) For each person identified pursuant to (a)3 above, a new petition for a waiver of qualification pursuant to N.J.A.C. 19:51-1.14(b) 3 or 4 shall be filed with the Commission within 30 days of the mailing of the required notice.

(d) All notices and filings required by this section shall be directed to the Enterprise License Bureau of the Commission at the address provided in N.J.A.C. 19:40-3.1(a) and to the Service Industry Licensing Section of the Division at the address provided in N.J.A.C. 19:40-3.1(c)1.

(e) If a casino service industry licensee fails to file the notices and forms required by this section, the Commission may, upon the filing of a written complaint by the Division and after appropriate hearings and factual determinations, impose any of the sanctions authorized by N.J.S.A. 5:12-129, including the suspension or revocation of the casino service industry license. If

an applicant for an initial casino service industry license fails to file the notices and forms required by this section, the pending application shall be considered incomplete for purposes of N.J.A.C. 19:51-1.2b and the Commission may, after an appropriate hearing, prohibit the applicant from transacting any business with casino licensees or applicants.

Adopted, effective: 03/19/01

**19:51-1.14B Temporary qualification at license issuance or renewal;
pendent qualifiers during term of license; permission to
exercise powers and perform duties prior to Commission
finding of plenary qualification**

(a) Notwithstanding the provisions of N.J.A.C. 19:51-1.14(a), upon written petition by the applicant, a casino service industry license may be issued or renewed by the Commission without the applicant having first established the plenary qualification of each natural person otherwise required to qualify pursuant to N.J.A.C. 19:51-1.14(a) or (c) provided that:

1. Any natural person qualifier who has not been found qualified by the Commission in accordance with the provisions of N.J.A.C. 19:51-1.14(a) as of the date of license issuance or renewal has been found temporarily qualified in accordance with the provisions of (b) below;

2. The applicant does not have more than three temporary qualifiers as of the date of license issuance or renewal; and

3. None of the temporary qualifiers is:

- i. The chief executive officer or equivalent;
- ii. The chief operating officer or equivalent;
- iii. A person who directly or indirectly holds any beneficial interest of five percent or more of the applicant; or
- iv. An inside director as defined in N.J.A.C. 19:51-1.1.

(b) For the purposes of this section, no natural person shall be

temporarily qualified by the Commission unless the Commission finds that such person:

1. Is required to qualify pursuant to N.J.A.C. 19:51-1.14(a) or (c) as part of an application for the issuance or renewal of a gaming-related casino service industry license but has not been found qualified in accordance with that subsection due to an ongoing investigation of that qualifier by the Division as of the date the license is issued or renewed by the Commission;

2. Has filed all application materials required by N.J.A.C. 19:51-1.3A(a); and

3. Has been identified by the Division as an individual as to whom it has conducted a preliminary background investigation and does not currently possess any negative information that would affect the ability of such person to establish his or her qualifications.

(c) Notwithstanding the provisions of N.J.A.C. 19:51-1.14(a), a gaming-related casino service industry licensee may retain its license without having first established the individual qualifications of each natural person otherwise required to qualify pursuant to N.J.A.C. 19:51-1.14(a) or (c) provided that:

1. Each person who is required to qualify pursuant to N.J.A.C. 19:51-1.14(a) or (c) but has not been the subject of a qualification determination by the Commission is a pendent qualifier in accordance with the provisions of (d) below; and

2. The licensee does not have any pendent qualifiers as of the date the license is renewed by the Commission.

(d) For the purposes of this section, a pendent qualifier is any natural person who:

1. Is required to qualify pursuant to N.J.A.C. 19:51-1.14(a) or (c) as part of a gaming-related casino service industry license but has not been the subject of a qualification determination by the Commission due to his or her obligation to qualify having arisen after the date of the initial license issuance or the previous renewal;

2. Has had the notices and application materials required by N.J.A.C. 19:51-1.14A(b) filed with the Commission in accordance with the deadlines set forth therein; and

3. Has not been the subject of a Commission determination, after appropriate notice and hearing, that reasonable cause exists to believe that such person may not be qualified based on information presented by the Division.

(e) A pendant qualifier may become a temporary qualifier in order to permit a casino service industry license to be renewed provided that the applicable requirements of (a) and (b) above are satisfied.

(f) Except as otherwise provided in (g) below, a temporary qualifier or pendant qualifier shall be entitled to exercise the powers and perform the duties of his or her position for a period of 18 months from the date that temporary qualifier or pendant qualifier status is attained pursuant to (b) or (d) above; provided, however, that a pendant qualifier who becomes a temporary qualifier pursuant to (e) above shall only be permitted to exercise the powers and perform the duties of his or her position for a combined period of 18 months.

(g) The Commission shall require the removal of any temporary qualifier or pendant qualifier if the Commission determines, after appropriate notice and hearing, that the temporary qualifier or pendant qualifier does not satisfy any applicable requirement of (a) through (d) above or if such person is not found qualified by the deadlines set forth in (f) above. If a casino service industry licensee, after appropriate notice and hearing, does not remove a temporary qualifier or pendant qualifier from his or her position, the Commission may impose any of the sanctions set forth in N.J.A.C. 19:51-1.14A(e).

(h) Notwithstanding the deadlines set forth in (f) above, the Commission may determine the plenary qualification of any temporary qualifier or pendant qualifier in accordance with the provisions of N.J.A.C. 19:51-1.14(a) as soon as the Division completes its investigation of the qualifier and files its report with

the Commission.

Adopted, effective: 03/18/02

As amended, effective: 09/16/02

19:51-1.15 Advertising

(a) Any advertisement by an applicant for or holder of a casino service industry license issued pursuant to N.J.S.A. 5:12-92a and b or by any agent thereof shall be subject to the provisions of N.J.A.C. 19:43-14 to the same extent as if such advertisement were by a casino licensee or applicant.

(b) Notwithstanding the provisions of (a) above, an applicant for or holder of a casino service industry license issued pursuant to N.J.S.A. 5:12-92a and b and any agent thereof shall not be subject to the provisions of N.J.A.C. 19:43-14.3(b).

Effective: 12/21/92